

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INBOUND E-FORMAT LETTER POST

Docket No. CP2022-58

**MOTION OF THE UNITED STATES POSTAL SERVICE
FOR EXTENSION TO FILE NOTICE OF
CY 2024 RATES FOR E-FORMAT ITEMS**
(April 17, 2023)

The United States Postal Service (Postal Service) hereby respectfully moves for an extension of the deadline for filing certain Calendar Year (CY) 2024 rates, as directed in Order No. 6187.¹ In that Order (at 6), the Postal Regulatory Commission (Commission) directed the Postal Service to file future new rates for Inbound Letter Post Small Packets and Bulky Letters (also known as “E-format items”) by April 16 each year.² For the reasons that follow, the Postal Service requests a two-week extension until Monday, **May 1, 2023**, for filing the new CY 2024 rates for E-format items.³ This extension would still provide the Commission a month to review the new CY 2024 rates before they are due to the Universal Postal Union (UPU) on June 1.

Under 39 C.F.R. § 3035.105(a), the Postal Service ordinarily must file a notice of a change in a rate not of general applicability for a competitive product at least 15 days before the effective date of the change. In this case, the rates at issue would not take effect until January 1, 2024. However, under the Universal Postal Convention (UPU

¹ Order No. 6187, Order Approving Prices for Inbound Letter Post Small Packets and Bulky Letters, Docket No. CP2022-58, May 26, 2022.

² In 2023, April 16 fell on a Sunday.

³ The Postal Service is requesting an extension of the April 16 filing date only with respect to the CY 2024 rates.

Convention),⁴ the deadline for the Postal Service to submit such rates to the UPU is June 1 in the year preceding when they would take effect.

In Order No. 6187, the Commission directed the Postal Service to file the future annual rate changes for E-format items by April 16 in order to provide the Commission with time to make a specific determination by May 1. In particular, in Order No. 6187, the Commission acknowledged that the Universal Postal Convention and Convention Regulations allow certain incrementally higher self-declared rates if necessary to cover costs.⁵ In order for the Postal Service to exercise this special provision (sometimes referred to as the “escalator clause”), two conditions would need to be satisfied: first, “a competent authority” (the Commission) would have to determine that applying the Convention’s cost-to-tariff ratio would be inadequate to cover the Postal Service’s costs; and, second, the designated operator (the Postal Service) would have to notify the UPU of that determination by May 1 of the year preceding the next calendar year to which new rates would apply.⁶ The Commission recognized that, in order to evaluate a claim that the cost-to-tariff ratio is inadequate to cover costs in time to make such a determination before the Postal Service would need to notify the UPU IB by May 1, it would need to have the data supporting such a claim by April 16.⁷

The Postal Service has filed this motion because it needs more time for adequate internal review and approval of the proposed new CY 2024 rates before submitting them to the Commission for its review. No prejudice would result from this requested one-time extension, because the Postal Service avers that it has no basis on which to assert

⁴ UPU Convention, Article 29.1.

⁵ Order No. 6187 at 4 (citing UPU Convention Article 29.8).

⁶ UPU Convention Article 29.8.

⁷ Order No. 6187 at 5.

a claim this year that the cost-to-tariff ratio will be inadequate to cover costs. In other words, the Postal Service has no basis on which to seek a Commission determination that the cost-to-tariff ratio will be inadequate, and, therefore, no such Commission determination is needed by May 1. Instead, only the ordinary deadline under the UPU Convention by which the Postal Service must notify the UPU of the CY 2024 rates by June 1, 2023, applies this year to the Commission's review of the rates.⁸

Accordingly, for the foregoing reasons and to allow the Postal Service adequate time to complete its internal rate review and approval process, the Postal Service respectfully requests that the Commission grant a one-time extension of the deadline that it established in Order No. 6187 and permit the Postal Service to file its CY 2024 rates for E-format items no later than Monday, May 1, 2023.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel,
Global Business and Service Development

Jeffrey A. Rackow

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1101
(202) 268-6687
jeffrey.a.rackow@usps.gov
April 17, 2023

⁸ Because of the same need for more time to complete its internal review process, the Postal Service cannot provide its final certified financials with this motion to show the adequacy of the cost coverage; the Postal Service avers, though, that this is not a case in which any potential minor errors in the Postal Service's calculations would alter the conclusion that it has no basis on which to claim application of the escalator clause this year.